

Family Finance

Family Living Costs: 2002

Budget Guides is a comprehensive publication produced by Manitoba Agriculture and Food. It details the guidelines used to arrive at the family living costs in this fact sheet.

Guidelines are based on an inventory of goods and services necessary to maintain physical and social well being throughout the family lifecycle.

Family Living Costs: 2002 outlines various expenditures for categories of a family's financial plan. These family living costs may also be a useful reference for farm families and those operating a home based business when estimating cash flow for living expenses.

Guides for 2002

Depending on a family's income, values, goals, and lifestyle, needs can be subjective. What one family considers essential may not be necessary for another. Family living costs must be adjusted accordingly for each individual situation.

A good example is that a farm family probably needs one or more vehicle for transportation, while a family living in Winnipeg has the option of using public transit and taxis instead of operating a car.

The figures in **Budget Guides 2002** are based on averages of regular priced, new items. Pricing was done during October, 2001.

Costs in some categories can be greatly reduced by buying items on sale, in bulk, or second hand.

NOTE: *Budget Guides is intended as a benchmark for calculating living costs in Manitoba. Families should adjust their figures to reflect their own income, priorities, and the location where they live. It is not intended for use as a minimum standard of living. See the worksheet at the end of this fact sheet where you can compare your own family's figures.*

NOTE: *Savings and risk management costs (such as life insurance, disability insurance, and an emergency fund)*

have not been included in this summary because of widely varying individual needs. For example, the life insurance needs of two parents with young children are very different from those of a single person who does not have any children. Similarly, disability protection is necessary for the self-employed, such as a farm family, but may not be needed to the same extent by an employed person whose company has a good disability plan.

Be sure to include these and other expenses when estimating your own total family living costs.

Family Living Costs

Each of the tables on the following pages give a summary of the spending categories which are found in **Budget Guides 2002**. All figures are rounded in these tables for easier calculations. These categories include:

- ◆ Food
- ◆ Shelter
- ◆ Home furnishings
- ◆ Household operations
- ◆ Personal care
- ◆ Health care
- ◆ Clothing
- ◆ Transportation
- ◆ Recreation, reading, gifts and contributions, school needs
- ◆ Communication
- ◆ Child care



FLC Categories

The following describes expenditure categories used in **Budget Guides**. All figures are based on the costing of an inventory of goods and services, not consumption patterns as does the Statistics Canada's Survey of Household Spending. These costs are not intended for use as a minimum standard of living. However, some categories meet only basic needs, e.g. food and household operations. No allowance is made for inflation.

◆ Food:

The food basket is based on the **1998 Monitoring the Cost of a Nutritious Food Basket Protocol** from the Ministry of Health in Ontario. This basket uses current nutrition recommendations as defined by the Nutrition Recommendations (1990) and Canada's *Food Guide to Healthy Eating* (1992). Infant standards have been modified according to the **1998 Nutrition for Healthy Term Infants** statement from the Canadian Paediatric Society, Dietitians of Canada, and Health Canada. In the chart below formula feeding is assumed for the first year.

■ COST OF FOOD AT HOME – Winnipeg		
	Month	Year
Infant - 0-12 months	\$118	\$1,414
Child		
1 year	56	675
2-3 years	60	724
4-6 years	80	965
Boy		
7-9 years	99	1,189
10-12 years	122	1,468
13-15 years	144	1,730
16-18 years	171	2,053
Girl		
7-9 years	95	1,138
10-12 years	111	1,328
13-15 years	120	1,437
16-18 years	116	1,395
Man		
19-24 years	164	1,965
25-49 years	159	1,904
50-74 years	143	1,719
75+	129	1,547
Woman		
19-24 years	119	1,432
25-49 years	114	1,364
50-74 years	111	1,337
75+	108	1,297
Pregnancy (age 25-49)		
Trimester 1	123	1,473
Trimester 2	130	1,562
Trimester 3	130	1,562
Lactation	134	1,593

The **food costs** quoted are based on an average of prices from three different Winnipeg supermarkets. It must be remembered that **food costs given are related to nutritional in-take needs, and may not reflect individual family eating patterns**, such as the use of convenience foods and eating meals away from home. Factors such as special diets, extra snacks, cultural foods will increase food costs.

Refer to **Budget Guides 2002** for:

- 1) *Pregnancy and Lactation food costs for different age groups, and*
- 2) *Cost of Food at Home for other Manitoba centers.*

Family size:

Food costs may increase or decrease the cost of the food basket when adjusted for family size. For families of **less than four**, **add** the following amounts to your family's food basket total:

1 person	+ 20%
2 persons	+ 10%
3 persons	+ 5%
4 persons	+ 0 (no change)

If your family size is **larger than four**, **decrease** your food basket total by the following amounts:

5 persons	- 5%
6 persons	- 10%

Meals away from home:

Today many family members eat meals away from home. It is useful to keep track of your actual expenses. Figures from Statistics Canada in 1996 indicate that, in Manitoba, 26.5% of the food budget was for meals eaten away from home. The national average was 27.8%.

To estimate your food costs consider the following:

1. Total cost of the food basket at home:

_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total:	\$ _____

2. Family size adjustment (+/- _____ % \$ _____)

3. Additional costs: (*meals out, special diets, cultural foods, etc.*) \$ _____

Total food costs: \$ _____

Cost of Food in Manitoba:

The chart below gives costs for feeding an infant and a family of four for a year in each region of Manitoba. Northern food costs were not available. Within each region, pricing took place in stores in the major center as well as smaller communities. As in Winnipeg, an average food basket was calculated.

Pricing was done in October, 2001 except Portage la Prairie which was done December, 2001. In some stores, not all food basket items were found. In these cases, a Winnipeg average cost for the item was used to arrive at a total food basket cost.

MANITOBA FOOD COST SURVEY YEARLY FOOD COSTS

Region/location	Family*	Infant
Winnipeg	\$ 6,137	\$ 1,414
Central:		
· Portage la Prairie **	\$ 7,144	\$ 1,757
· Morden/Winkler	6,271	1,710
· Other communities (3)	7,235	*** 1,875
South west region:		
· Brandon	\$ 6,883	\$ 1,449
· Other communities (4)	7,367	*** 1,692
North west region:		
· Dauphin	\$ 7,123	\$ 1,498
· Other communities (4)	6,999	*** 1,690
Eastern/Interlake:		
· Steinbach	\$ 6,937	\$ 1,614
· Other communities (5)	6,605	*** 1,613
North:	\$ N/A	\$ N/A

* The family consists of a man and woman 25-49 years of age, a girl aged 7-9 years and a boy aged 13-15 years. Food costs are not adjusted for a family of four.

** Portage la Prairie pricing took place December 2001.

*** When infant formula was not priced in the small community, then the infant food basket does not include this community in the average for the region.

◆ Shelter:

Shelter costs outline housing standards and reviews the types of housing available. They establish costs associated with homeownership and renting for Winnipeg. **Budget Guides** includes rural rental rates for Brandon, Portage la Prairie, and Thompson. As well, a survey from Canada Mortgage and Housing Corporation for average home prices in the above locations is provided as reference in the Guide.

To estimate home maintenance and repair costs for homeowners a guideline of 1-2% of the home's value per year for new homes, and at least 3%, or more, for older homes is used.

For people who are unable to do home maintenance tasks that require physical exertion, climbing, etc., no allowance is given. These tasks may need additional hired help and be added to living costs.

Detailed information on average consumption patterns and costs for water, hydro, and gas utilities are included in **Budget Guides**. These costs are outlined for heating, household appliances, and other home uses.

■ SHELTER

	Month	Year
Home Ownership in Winnipeg		
2001 Price \$92,900		
Equity - \$9,290.		
Mortgage - \$83,610		
Interest - 5.75%		
Carrying Cost (25 years amortization)	\$523	\$6,271
Taxes	199	2,385
Utilities	163	1,957
Maintenance/ Repair	232	2,787
Insurance	28	335
TOTAL	\$1,145	\$13,735
Average Rent in Winnipeg (including electricity, insurance)		
Bachelor Apt.	\$407	\$4,879
1 Bedroom Apt.	526	6,307
2 Bedroom Apt.	655	7,855
3 Bedroom Apt.	756	9,067



◆ Home Furnishings and Equipment:

Home furnishings and equipment are based on inventories of home furnishings and equipment for different families. The budget assumes gradual replacement of items over the years, or depreciation over the expected period of use. Thus, the average costs shown do not necessarily represent actual expenditures per year, but a budget allocation - or saving - required to maintain the inventory.

■ HOME FURNISHINGS and EQUIPMENT		
	Month	Year
Non-Elderly Families		
1 person	\$55	\$662
2 (2 adults)	63	760
2 (1 adult, 1 child)	67	809
3 (1 adult, 2 children)	81	966
3 (2 adults, 1 child)	78	941
4 persons	94	1,122
5 persons	107	1,283
6 persons	120	1,445
7 persons	134	1,606
8 persons	147	1,767
Elderly Families		
1 person	51	615
2 persons	61	734
Additional for Range and Refrigerator		
1-4 persons	7	86
5-8 persons	9	107

◆ Household Operations:

Household operations include such items as laundry, cleaning supplies, and paper products. For economy reasons, these costs assume households have a washer and a dryer (*allocated in the Home Furnishing and Equipment section*). For coin operated laundering refer to *Coin and Laundry Costs in Budget Guides*.

■ HOUSEHOLD OPERATION		
	Month	Year
Family Size		
1 person	\$13	\$151
2 persons	22	269
3 persons	29	351
4 persons	36	432
5 persons	42	505
6 persons	48	578
7 persons	54	652
8 persons	60	725
Additional for Laundering		
Infant Needs	3	33
Diapers	6	68

◆ Personal Care:

Costs are for such needs as haircuts, shampoo, tooth brushes, and toothpaste. Items such as deodorant, shaving supplies and sanitary products are included for teens and adults.

■ PERSONAL CARE		Month	Year
Child:	1-6 years	\$9	\$102
	7-11 years	8	98
Boy:	12-14 years	15	180
	15-18 years	22	261
Girl:	12-14 years	27	319
	15-18 years	33	401
Man:	Employed	23	275
	Homebased	23	275
	Elderly	23	275
Woman:	Employed	37	442
	Home-based	33	401
	Elderly	29	353

◆ Health Care:

Health care costs are a basic part of every family's budget, but they are difficult to determine because of individual medical needs. Included are Manitoba Blue Cross Medi-Blue Plan health insurance, an annual dental check up, cleaning, and fluoride treatment. No prescription drugs are included.

■ HEALTH CARE				
Manitoba Blue Cross		Month	Year	
Medi-Blue Plan	-Single	18 - 34	17	209
		35 - 44	19	233
		45 - 54	22	262
		55 - 64	24	286
		65 - 74	29	351
		75 - 84	33	401
		85 +	37	441
	- Family	18 -34	31	368
		35 - 44	34	410
		45 - 54	39	462
		55 - 64	42	503
		65 - 74	51	616
		75 - 84	59	704
		85 +	65	775
Dental	Child – under 3 years		-	
	3-11 years		87	
	12-18 years		104	
	adult		97	
Medicine Chest Supplies				
	1-2 persons		46	
	3-5 persons		94	
	Over 5 persons		150	

◆ Clothing:

Clothing costs are based on inventories of items appropriate for different age groups and sexes. The normal wear life of each item is taken into account in establishing these figures. Low cost, durability, and fashion are criteria considered when pricing items. Items are priced primarily from national store catalogues to represent average costs available to both urban and rural shoppers.

Infant costs include clothing and cloth diapers. If disposable diapers are used instead of cloth then these costs will need to be included in the family's living costs. Because of the increased variety of disposable diapers on the market today it should be noted that the cost of using "basic" disposable diapers has decreased. The total cost if using only disposable diapers over the 2 ½ year period would be \$1,182.

■ CLOTHING		
	Month	Year
Infant		
Clothing, Cloth Diapers, Furnishings and Other Needs	\$147	\$1,761
Boy		
1 year	36	435
2-3 years	37	443
4-5 years	40	478
6-8 years	47	561
9-11 years	50	600
12-14 years	89	1,063
15-18 years	85	1,018
Girl		
1 year	41	496
2-3 years	40	485
4-5 years	43	517
6-8 years	52	619
9-11 years	54	649
12-14 years	91	1,087
15-18 years	94	1,123
Man		
Blue Collar Worker	92	1,107
White Collar Worker	91	1,097
Home-based	67	804
Elderly	48	572
Woman		
Blue Collar Worker	96	1,153
White Collar Worker	106	1,274
Home-based	73	877
Elderly	49	592
Maternity	36	437
Additional with only Disposable Diapers		
0-12 months	34	406
1-2 years	45	545
2-2½ years	19	230

◆ Transportation:

Where available, public transportation is generally the least costly. Costs for public transportation are for Winnipeg and are the number of trips required for employment, school, shopping and some social and recreational activities. One taxi fare weekly is allotted to single parent and elderly households for a return fare for food shopping plus an extra six return fares.

Cars are expensive to both buy and operate. For many families it may be their largest single expense next to food and shelter. To establish an *average driving cost* is difficult because of the many variables.

The car costs in **Budget Guides** are based on a new car purchased on credit. If the vehicle is purchased for cash, the costs would be reduced substantially. A used car could also reduce costs but maintenance may be higher, particularly if there is no warranty.

Variable expenses (*gas, oil, maintenance, and tires*) are directly related to the number of kilometres driven, how the car is used, and how much money is put towards service and repairs. Fixed expenses (*insurance, licence, registration fees, depreciation and financing*) will vary depending on the vehicle driven and the territory.

■ TRANSPORTATION		
	Month	Year
Public Transit and Taxis		
Adult		
1 person	\$67	\$798
2 persons	128	1,538
Lone Parent	93	1,118
Elderly - 1 person	87	1,041
- 2 persons	130	1,557
Child		
Under 5 years	-	-
5-11 years	6	70
12-17 years	39	462
Automobile driven 16,000 km		
Variable and Fixed Costs		
Territory 1 (Winnipeg)	738	8,850
Territory 2	732	8,780
Territory 3	767	9,208
Territory 4	744	8,932
Commuter to Winnipeg	744	8,923
Variable Costs Only at \$.13/km	168	2,016

◆ Recreation, Reading, Gifts, and School Needs:

This section includes home entertainment such as TV, CDs/cassette players, etc. It also provides for a balanced set of activities and interests. It is recognized that people prefer particular types of recreation and may outspend the amount allocated for some items. The *trading-off* of expenditures may occur in this category depending on individual interests.

See the fact sheet, *The Cost of Raising a Child: 2002* for examples of costs related to children, including school needs.

■ RECREATION, READING, GIFTS and CONTRIBUTIONS, SCHOOL NEEDS		
	Month	Year
Non-Elderly Families		
1 adult	\$161	\$1,928
2 adults	277	3,329
Lone Parent	216	2,591
Elderly Families		
1 adult	243	2,913
2 adults	358	4,292
Child		
1-4 years	38	456
5 years	45	542
6 years	52	626
7-11 years	74	891
12-13 years	80	961
14 years	82	983
15-17 years	95	1,143
18 years	97	1,165

◆ Communication:

Communication costs cover the basic monthly charges for a telephone, an allowance for long distance calls, plus minimal amounts for postage, writing materials, and greeting cards.

For families living in rural and northern areas of the province additional costs for long distance should be based on individual expenditures.

■ COMMUNICATIONS		
	Month	Year
Non-Elderly Families		
1 adult	\$45	\$535
2 adults	46	552
Lone Parent	52	627
Elderly Families		
1 adult	46	553
2 adults	54	649

◆ Child Care:

Child care costs vary depending on the availability of extended family to care for children, the type of day care needed, and the facilities in your area. The need for child care services differs if there is a parent at home.

Costs included in this category are without subsidies for a licensed day care for a single working parent. Depending on the number of children in care and family income, subsidies could reduce these costs significantly.

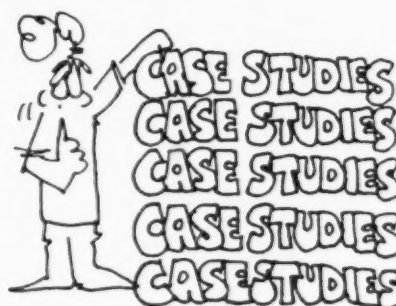
■ CHILD CARE (without subsidies)		
	Month	Year
Lone Parent – Employed		
1 Child		
Infant	\$381	\$4,568
toddler under 2 years	517	6,200
pre-school/kindergarten	433	5,200
school age	317	3,805
2 Children		
infant/pre-school	722	8,668
toddler/pre-school	858	10,300
pre-school/kindergarten	775	9,300
kindergarten/school age	659	7,905
school age/school age	519	6,230
Lone Parent – At Home		
1 or 2 Children		
pre-school	92	1,100
school age	49	584
2 Parents – Employed		
1 Child		
Infant	322	3,868
toddler under 2 years	458	5,500
pre-school/ kindergarten	375	4,500
school age	259	3,105
2 Children		
infant/pre-school	664	7,968
toddler/pre-school	800	9,600
pre-school/kindergarten	717	8,600
kindergarten/school age	600	7,205
school age/school age	461	5,530
2 Parents - 1 At Home		
1 or 2 Children		
pre-school or school age	33	400

◆ **Additional Costs:** This fact sheet is a guideline for discussion. Depending on individual lifestyles and income, family costs will vary. For example the cost of credit, pets, alcohol and tobacco are not included. Savings and risk management costs also need to be considered.

Sample Budgets

Following are four sample budgets for different family situations. These provide a guideline for living costs.

Start to track your family living costs using the form provided on page 9. Fill in **Budget Guide** figures for your individual situation. Compare your living costs to this guideline. Remember, it will not be exact because every person's situation is different.



■ SAMPLE BUDGET - 2 person family

Man: 65 – 74 years, retired. Woman: 65 – 74 years, retired. Renters in Portage la Prairie, car with no loan. (excluding risk management and savings)

	Month	Year	Percent of Total
Food (1)	\$321.00	\$3,852	15
Shelter (2)	485.58	5,827	22
Home Furnishings & Equipment	61.17	734	3
Household Operation	22.42	269	1
Clothing	97.00	1,164	4
Health Care, Dental & Medicine Chest (3)	67.50	810	3
Personal Care	52.33	628	2
Recreation, Reading, Gifts & Contributions	357.67	4,292	17
Communications	54.08	649	2
Transportation (4)	646.58	7,759	30
TOTAL	\$2,165.33	\$25,984	100

- 1) Food budget calculated for 2 persons (additional 10%); no meals away from home
- 2) One bedroom apartment in Portage la Prairie including electricity and insurance
- 3) Blue Cross Medi-Blue, annual dental check-ups/cleaning and Medicine Chest.
- 4) 16, 000 km. (Territory 2) minus financing for car purchase.

■ SAMPLE BUDGET - 2 person family in Winnipeg

Woman: 25 – 49 years, white collar worker, girl 3 yrs. Renter. No car.

(excluding risk management and savings)

	Month	Year	Percent of Total
Food (1)	\$175.75	\$2,109	9
Shelter (2)	655.00	7,860	33
Home Furnishings & Equipment	67.42	809	3
Household Operation	22.42	269	1
Clothing	146.58	1,759	7
Health Care, Dental & Medicine Chest (3)	49.83	598	2
Personal Care	45.33	544	2
Recreation, Reading, Gifts & Contributions	253.92	3,047	13
Communication	52.25	627	3
Transportation (4)	93.17	1,118	5
Child Care	433.33	5,200	22
TOTAL	\$1,995.00	\$23,940	100

- 1) Food budget calculated for 2 persons (additional 10%); no meals away from home
- 2) Two bedroom apartment in Winnipeg including electricity and insurance
- 3) Blue Cross Medi-Blue, annual dental check ups/cleaning and Medicine Chest.
- 4) Public transit plus taxis (Winnipeg).

■ **SAMPLE BUDGET - 4 person family in Winnipeg**
 Man – 25 – 49 years, blue collar worker. Woman, 25 – 49 years, white collar worker, girl 15, boy 13.
 Homeowners with no mortgage. Car with no loan.
 (excluding risk management and savings)

	Month	Year	Percent of Total
Food (1)	\$541.50	\$6,498	16
Shelter (2)	622.00	7,464	19
Home Furnishings and Equipment	100.67	1,208	3
Household Operation	36.00	432	1
Clothing	380.58	4,567	11
Health Care, Dental & Medicine Chest (3)	79.83	958	2
Personal Care	108.17	1,298	3
Recreation/Reading, Gifts & Contributions	452.75	5,433	14
Communications	46.00	552	1
Transportation (4)	946.50	11,358	29
TOTAL	\$3,314.00	\$39,768	100

- 1) Food budget calculated for 2 persons (additional 10%); no meals away from home
 2) Homeowner in Winnipeg, no mortgage
 3) Blue Cross Medi-Blue, annual dental check-ups/cleaning and Medicine Chest
 4) 24,000 km. plus bus fare for one spouse and children

■ **SAMPLE BUDGET - 1 person family in Winnipeg**
 Man – 19 – 25 years, white collar worker.
 Renter. Car with loan.
 (excluding risk management and savings)

	Month	Year	Percent of Total
Food (1)	\$196.50	\$2,358	10
Shelter (2)	524.18	6,312	28
Home Furnishings & Equipment	53.44	662	3
Household Operation	12.51	151	1
Clothing	91.42	1,097	5
Health Care, Dental & Medicine Chest (3)	25.24	352	2
Personal Care	22.89	275	1
Recreation, Reading, Gifts & Contributions	160.05	1,928	9
Communications	44.57	535	2
Transportation (4)	737.53	8,850	39
TOTAL	\$1,876.67	\$22,520	100

- 1) Food budget calculated for 1 person (additional 20%); no meals away from home
 2) One bedroom apartment in Winnipeg, including electricity and insurance.
 3) Blue Cross Medi-Blue, annual dental checkups/cleaning and Medicine Chest.
 4) 16,000 km. (Winnipeg).

NOTES:

What Does It Cost You To Live?

Many financial advisers recommend that you keep track of your expenses for several months in order to get an accurate picture of what it really costs you to live. See the fact sheet series, *Finances for Families* for information, activities and worksheets that can help you develop a spending plan.

In the space provided jot down some notes you want to remember when using these family living cost guidelines.

On the next page complete the **Budget Guides** figures for your situation and compare them to your current living costs.

\$

YOUR FAMILY LIVING COSTS FIGURES Date: _____

	Family Living Costs Figures	Your Figures		Notes
		Month	Year	
Food	_____	_____	_____	_____
Shelter	_____	_____	_____	_____
Home furnishings and equipment	_____	_____	_____	_____
Household operation	_____	_____	_____	_____
Personal care	_____	_____	_____	_____
Health care	_____	_____	_____	_____
Medicine chest supplies	_____	_____	_____	_____
Clothing	_____	_____	_____	_____
Transportation	_____	_____	_____	_____
Recreation, reading, gifts	_____	_____	_____	_____
Communication	_____	_____	_____	_____
Risk management	_____	_____	_____	_____
Savings	_____	_____	_____	_____
Other (child care)	_____	_____	_____	_____
Other	_____	_____	_____	_____
TOTAL				

Acknowledgements: Graphics have been adapted and used with permission from **Project Real World**, Federal/Provincial Consumer Education and Plain language Task Force, 1991.

For further information:

- Contact a Manitoba Agriculture and Food home economist in rural communities for additional information on family financial topics. Other fact sheet series include *Finances for Families* and *Building Financial Security*.

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